GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2055
ANSWERED ON:11.08.2006
EXPERT COMMITTEE ON PSBS
Meghwal Shri Kailash

Will the Minister of FINANCE be pleased to state:

(a) whether an `Expert Committee` under the Chairmanship of Shri M. Narasimham has been set up in 1992 to suggest improvement in the working of public sector banks;

(b) if so, the details thereof alongwith main recommendations;

(c) whether the Government proposes to set up another Expert Committee to examine the drawbacks of Government Micro-Management of public sector banks and for giving them autonomy; and

(d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): A Committee on the Financial System under the Chairmanship of Shri M. Narasimham was constituted in August, 1991 which submitted its report to the Government in November, 1991. Reform initiatives taken pursuant to the Committee`s recommendations include reduction in Statutory Liquidity Ratio and Cash Reserve Ratio, simplification of interest rate structure, positioning of norms in respect of capital adequacy, income recognition and provisioning requirements, revision of balance sheet and profit and loss formats for ensuring greater transparency, revision of Reserve Bank of India guidelines for branch licencing, measures aimed at liberalization of the capital market, vesting of Securities Exchange Board of India with statutory powers, equal treatment of various Mutual Funds in the area of tax concessions etc.

(c)&(d) : At present, no such proposal is under consideration of the Government.